



18007017

ANNUAL REPORT  
FORM X-17A-5  
PART III

MAR 19 2018

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/2017 AND ENDING 12/31/2017  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: QUAYLE & CO., SECURITIES

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

9400 S. SAGINAW ST. SUITE B

(No. and Street)

GRAND BLANC

(City)

MI

(State)

48439

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

ROBERT A. QUAYLE

810-771-4178

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

B GAUDETTE, BRYANT A.

(Name - if individual, state last, first, middle name)

21320 PROVINCIAL BLVD. SUITE 100 KATY, TX

(Address)

(City)

(State)

77450

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

BW

## OATH OR AFFIRMATION

I, ROBERT A. QUAYLE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of QUAYLE & CO., SECURITIES, as of DECEMBER 31, 20 17, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Robert A. Quayle  
Signature  
PRINCIPAL  
Title

MY COMMISSION EXPIRES  
5/23/2022

W. C. Givens 3/6/18  
Notary Public OAKLAND CO., ACTING IN  
GENESSEE COUNTY

This report \*\*contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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**QUAYLE & CO. SECURITIES**

**Financial Statements and Supplemental Schedules  
Required by the U.S. Securities and Exchange Commission**

**Including Independent Auditor's Report Thereon**

**For the Year-Ended 12/31/2017**

# **BRYANT A. GAUDETTE, CPA**

## **REPORT ON INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Sole Proprietor  
Quayle & Co Securities  
9400 S. Saginaw Street Suite B  
Grand Blanc MI 48439

### **Opinion on The Financial Statements**

We have audited the statement of financial condition of Quayle & Co Securities (the "Company") as of December 31, 2017, the related statements of operations and other comprehensive income, changes in stockholders' equity and cash flows for the year then ended, December 31, 2017, and the related notes to the financial statements and supplemental information (collectively referred to as "financial statements") filed pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for the audit opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

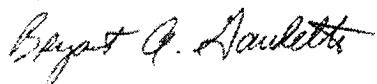
Our responsibility is to express an opinion on the Company's financial statements based on the audit. We conducted the audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to error or fraud.

### **Report on Supplementary Information**

The supplementary information contained in the supplemental schedules required by Rule 17a-5 under the Securities Exchange Act of 1934, including the Computation of Net Capital under Rule 15c-3, Computation for Determination of Reserve Requirements and information relating to Possession or Control Requirements Under 15c3-3, statement related to material inadequacies with respect to the computation of net capital, and statement related to SIPC reconciliation, if applicable, is presented for additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures to test the completeness and accuracy of the supplemental information presented. In forming my opinion on the supplemental information, I evaluated whether the supplemental information, in form and content, is presented in conformity with Rule 17a-5 of the Securities Exchange Act of 1934 and in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Bryant A. Gaudette, CPA**



We have served as the Company's auditor since December 31, 2017.

Katy, TX 77450

March 12, 2018

**Quayle & Co. Securities**  
**Financial Statements**  
**Statement of Financial Condition**  
As of and for the Year-Ended 2017

<b>ASSETS</b>	Dec 31, 17
<b>Current Assets</b>	
Checking/Savings	
1011 · Cash in Brokerage- Ameritrade	2,937.72
1013 · Cash in Bank-CRD account	208.77
1021 · - Chase Bank Checking	5475.41
1022 · Quayle Financial Group	<u>4,117.97</u>
<b>Total Checking/Savings</b>	12,739.87
<b>Other Current Assets</b>	
1025 · Investments/Ameritrade	8,843.74
1100 · Investments Oppenheimer	<u>1,047.82</u>
<b>Total Other Current Assets</b>	<u>9,891.56</u>
<b>Total Current Assets</b>	23,631.43
<b>Fixed Assets</b>	
1520 · Equipment	5,517.00
1570 · Accumulated Depreciation	<u>-5,517.00</u>
<b>Total Fixed Assets</b>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<u><u>22,631.43</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
2135 · Accrued Liabilities	<u>132.99</u>
<b>Total Other Current Liabilities</b>	<u>132.99</u>
<b>Total Current Liabilities</b>	<u>132.99</u>
<b>Total Liabilities</b>	132.99
<b>Equity</b>	
30000 · Opening Balance Equity	1,000.00
3005 · Additional Paid in Capital	17,045.00
3010 · Retained Earnings	-200,128.70
<b>Net Income</b>	<u>204,582.14</u>
<b>Total Equity</b>	<u>22,498.44</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>22,631.43</u></u>

The accompanying notes are an integral part of these financial statements.

**Quayle & Co. Securities**  
**Financial Statements**  
**Statement of Operations**  
As of and for the Year-Ended 2017

<b>Income</b>	<b>Jan - Dec 17</b>
4010 · Commissions Earned	378,578.16
4076 · Mart to Market Adjustments	-2,041.21
4090 · Interest Income	0.08
4096 · Gain/Loss on Security Trading	72.10
4097 · Gain/loss on disposal of Assets	-147.50
4095 · Dividend Income	154.78
<b>Total Income</b>	<b>376,617.41</b>
<b>Expense</b>	
6120 · Bank Service Charge	90.00
6128 · Commission Expense	80,500.00
6140 · Contributions	1,625.00
6205 · Filing Fees	25.00
6225 · Advertising	2,994.74
6180.2 · Insurance - SIPC	565.00
6300 · repairs & maintenance	2,300.00
6227 · Promotional Expense	200.00
6231 · Fees & Licenses	3,662.90
6250 · Postage & Delivery	401.73
6290 · Rent	13,000.00
6340 · Telephone	16.50
6550 · Office Supplies	1,024.72
66553 · Office Expense	37,325.63
6651 · Auditing Fees	3,250.00
6545 · internet service	88.05
6830 · federal tax	17,650.00
6860 · state tax	2,000.00
6140.1 · gifts/clients	50.00
66900 · reconciliation discrepancies	5,266.00
<b>Total Expense</b>	<b>172,035.27</b>
<b>Net Income</b>	<b>204,582.14</b>

The accompanying notes are an integral part of these financial statements.



**Quayle & Co. Securities**  
**Financial Statements**  
**Statement of Cash Flows**  
As of and for the Year-Ended 2017

	<u>Jan - Dec 17</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	204,582.14
Adjustments to reconcile Net Income to net cash provided by operations:	
1025 - Investments/Ameritrade	2,843.82
1100 - Investments/Oppenheimer	-3.05
1080 - Accts. Receivable/Opp.	-250.00
1115 - Accts. Receivable/Other	-50.00
Net cash provided by Operating Activities	<u>207,122.91</u>
<b>FINANCING ACTIVITIES</b>	
3010 - Retained Earnings	-245,556.00
3005 - Additional Paid in Capital	13,000.00
Net cash provided by Financing Activities	-232,556.00
 Net cash increase for period	 -25,433.09
 Cash at beginning of period	 38,172.96
Cash at end of period	<u>12,739.87</u>

The accompanying notes are an integral part of these financial statements.

**Quayle & Co. Securities**  
**Financial Statements**  
**Statement of Changes in Ownership Equity**  
**As of and for the Year-Ended 2017**

**Total Owners Equity**

<b>Balance at January 1, 2017</b>	<b>\$50,472.00</b>
<b>Net Income (Loss) for the year ended 12/31/17</b>	<b>\$204,582.00</b>
<b>Capital Contributions</b>	<b>13,000.00</b>
<b>Capital Withdrawal</b>	<b>(\$245,556.00)</b>
<b>Prior Period Adjustment</b>	<b>-</b>
<b>Balance at December 31, 2017</b>	<b>\$22,498</b>

The accompanying notes are an integral part of these financial statements

**QUAYLE & CO., SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

Accounting principles followed by the Company and the methods of applying those principles which materially affect the determination of financial position, results of operation and cash flows are summarized below:

Organization

Quayle & Co., Securities (the Company) was organized in the State of Michigan effective October 22, 1987. The Company has adopted a calendar year.

Description of Business

The Company, located in Grand Blanc, MI. is a broker and dealer in securities registered with the Securities and Exchange Commission ("SEC") and is a member of FINRA. The Company operates under SEC Rule 15c3-3(k)(2)(ii), which provides that all funds and securities belonging to the Company's customers are held at the clearing broker-dealer.

Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

The Company considers as cash all short-term investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable -- Recognition of Bad Debt

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Revenue Recognition

Commission revenues are recorded by the Company on the settlement date reported by the clearing firm through submitted commission statements.

**QUAYLE & CO., SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Financial instruments that are subject to fair value disclosure requirements are carried in the financial statements at amount that approximate fair value and include cash and cash equivalents. Fair values are based on quoted market prices and assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of perceived risk.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, Reporting Comprehensive Income, establishes requirements for disclosure of Comprehensive Income that includes certain items previously not included in the statement of income, including unrealized gains and losses on available-for-sales securities and foreign currency translation adjustment among others.

Concentrations

The Company's concentration is services are sales of securities, annuities, and insurance.

**SUBSEQUENT EVENT**

The Company has evaluated events subsequent to the balance sheet date for items requiring recording or disclosure in the financial statements. The evaluation was performed through March 6, 2018, which is the date the financial statement were available to be issued. Based upon this review, the Company has determined that there were no events which took place that would have a material impact on its financial statements.

**NOTE B – NET CAPITAL REQUIREMENTS**

Pursuant to the net capital provisions of Rule 15c3-3 of the Securities and Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis.

There were no material differences in the in the net amount reported as Net Capital in the audited Computation of Net Capital and the broker-dealer's corresponding unaudited Part IIA of the FOCUS report required under Rule 15c3-1.

#### **NOTE C – POSSESSION OR CONTROL REQUIREMENTS**

The Company does not have any possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exempted provisions of SEC Rule 15c-3-3(k)(2)(ii) by promptly transmitting all customer funds to its clearing broker dealer.

### **QUAYLE & CO., SECURITIES NOTES TO FINANCIAL STATEMENTS December 31, 2017**

#### **NOTE D – LEASES**

The Company leases office space in an amount of \$13,000.00 annually.

#### **NOTE E – FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between participants at the measurement date (i.e., an exit price). The guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority

To unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

*Level 1* – Quoted, active market prices for identical assets or liabilities. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers of brokers in active markets. Valuation are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. The Company did have any Level 1 assets.

*Level 2* – Observable inputs other than Level 1, such as quoted market prices for similar assets or liabilities, quoted for identical or similar assets in inactive markets, and model derived valuations in which all significant inputs are observable in active markets. The Company did not have any Level 2 assets or liabilities.

*Level 3* – Valuation techniques in which one or more significant inputs are observable in the marketable. The company did not have any Level 3 assets or liabilities.

Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:

	Fair value at Reporting Date Using	
	Fair Value	Quoted Price in Active markets for Identical Assets (Level 1)
December 31, 2017		
Marketable Securities	\$ 9,891.56	\$ 9,891.56
Total	<u>\$ 9,891.56</u>	<u>\$ 9,891.56</u>

**QUAYLE & CO., SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

Fair values for short-term investments and long-term investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The income reported from these investments was \$55.04 in dividend income.

The carrying amounts reflected in the balance sheet for cash, money market funds, and marketable securities approximate the respective fair values due to the short maturities of those instruments. Available-for-sale marketable securities are recorded at fair value in the balance sheet. A comparison of the carrying value of those financial instruments is as follows:

	Fair value at Reporting Date Using	
	Carrying Value	Fair Value
December 31, 2017		
Marketable Securities	\$ 9,891.56	\$ 9,891.56
Total	<u>\$ 9,891.56</u>	<u>\$ 9,891.56</u>

Cost and fair value of money market funds and marketable securities at December 31, 2017 are as follows:

	Amortized <u>Cost</u>	Gross Unrealized <u>Gain</u>	Gross Unrealized <u>Losses</u>	<u>Fair Value</u>	

<u>December 31, 2017</u>					
Available for Sale:					
Marketable Securities	\$8,843.74	\$ 1,047.82	0	\$9,891.56	
Totals	<u>\$ 8,843.74</u>	<u>\$1,047.82</u>	<u>0</u>	<u>\$ 9,891.56</u>	

**QUAYLE & CO., SECURITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

The fair value of money market funds and market securities have been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quoted market prices within active markets. There have been no changes in valuation techniques and related inputs.

**NOTE G – SIPC RECONCILIATION**

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealers SIPC annual general assessment reconciliation or exclusion-from-membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenues, they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e)(4) because it is reporting less than \$500,000 in gross revenue.

**NOTE H – OTHER COMMITMENTS AND CONTINGENCIES**

Included in the Company's clearing agreement with its clearing broker-dealer is an indemnification clause. This clause relates to instances where the Company's customers fail to settle security transactions. In the event this occurs, the Company will indemnify the clearing broker-dealer to the extent of the net loss on the unsettled trade. At December 31, 2016, management of the Company had not been notified by the clearing broker-dealer, nor were they otherwise aware of any potential losses relating to this indemnification.

**Quayle & Co. Securities**  
**Supplementary Schedules Pursuant to SEA Rule 17a-5**  
**Of the Securities and Exchange Act of 1934**  
**As of and for the Year-Ended December 31, 2017**

**Computation of Net Capital**

Stockholder's Equity		\$ 22,498
Non-Allowable Assets		
XX	\$ 0.0	
XX	0.0	
XX	0.0	
Total Non-Allowable Assets		\$ (0.0)
Haircuts on Securities Positions		
Securities Haircuts	\$ (1,347)	
Undue Concentration Charges	0.0	
Total Haircuts on Securities Positions		\$ (1,347)
Net Allowable Capital		\$ 21,151

**Computation of Net Capital Requirement**

Minimum Net Capital Required as a Percentage of Aggregate Indebtedness	\$ 9
Minimum Dollar Net capital Requirement of Reporting Broker-Dealer	5,000.
Net Capital Requirement	5,000.
Excess Net Capital	16,151

**Computation of Aggregate Indebtedness**

Total Aggregate Indebtedness	\$ 133
Percentage of Aggregate Indebtedness to Net Capital	0.63%

**Computation of Reconciliation of Net Capital**

Net Capital Computed on FOCUS IIA as of December 31, 2016	\$ 21,151
Adjustments	
Increase (Decrease) in Equity	\$0
(Increase) Decrease in Non-Allowable Assets	0
(Increase) Decrease in Securities Haircuts	0
Net Capital per Audit	\$ 21,151
Reconciled Difference	\$0

The accompanying notes are an integral part of these financial statements



**QUAYLE & CO. SECURITIES**  
**Supplementary Statements Pursuant to SEA Rule 17a-5**  
**Of the Securities and Exchange Act of 1934**  
As of and for the Year-Ended 12/31/2017

**Statement Related to Uniform Net Capital Rule**

The Company is a member of the FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 1500% (15:1), or, during its first year of operations, 800% (8:1). Net capital and the related net capital ratio may fluctuate on a daily basis. At 12/31/2017, the Company had net capital of \$21,151 which was \$16,151 in excess of its required net capital of \$5,000. The Company's ratio of aggregate indebtedness to net capital was 0.63%. The Company has elected to use the basic computation method, as is permitted by the rule, which requires that the Company maintain minimum Net Capital pursuant to a fixed dollar amount or 6-2/3% percent of total aggregate indebtedness, as defined, whichever is greater, and does not, therefore, calculate its net capital requirement under the alternative reserve requirement method. There were no material differences reported as Net Capital in the audited computation of Net Capital and the broker-dealer's corresponding unaudited Part IIA of the FOCUS report required under Rule 15c3-1.

**Statement Related to Exemptive Provision (Possession and Control)**

The Company does not have possession or control of customer's funds or securities. There were no material inadequacies in the procedures followed in adhering to the exemptive provisions of SEA Rule

15c3-3(k)(2)(ii); All customer transactions cleared through another broker-dealer on a fully disclosed basis.

**Statement Related to Material Inadequacies**

This audit did not disclose any material inadequacies since the previous audit of the financial statements contained within the audit report of the Computation of Minimum Net Capital Requirement as reported in the Supplemental Schedules contained within the audit report or the filed Financial and Operational Combined Uniform Single Report filed pursuant to SEA Rule 15c3-1. The firm is exempt from 15c3-3; it does not maintain customer funds or securities and, therefore, does not maintain customer funds to segregate nor does it maintain separate accounts for customers.

**Statement Related to SIPC Reconciliation**

SEA Rule 17a-5(e)(4) requires a registered broker-dealer to file a supplemental report which includes procedures related to the broker-dealer's SIPC annual general assessment reconciliation or exclusion from membership forms. In circumstances where the broker-dealer reports \$500,000 or less in gross revenue they are not required to file the supplemental SIPC report. The Company is exempt from filing the supplemental report under SEA Rule 17a-5(e)(4) because it is reporting less than \$500,000 in gross revenue.

**QUAYLE & CO. SECURITIES**  
**Supplementary Reports Pursuant to SEA Rule 17a-5**  
**Of the Securities and Exchange Act of 1934**  
As of and for the Year-Ended 12/31/2017

**Auditor's Report on Review of Exemption Letter Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)**

# **BRYANT A. GAUDETTE, CPA**

## **EXEMPTION REVIEW REPORT**

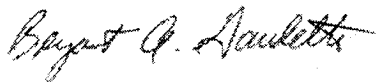
15c3-3(k)(2)(ii)

Robert Quayle  
Quayle & Co Securities  
9400 S. Saginaw Street  
Suite B  
Grand Blanc, MI 48439

Dear Robert Quayle:

We have reviewed management's statements, included in the accompanying Representation Letter of Exemptions, in which Quayle & Co Securities identified 15c3-3(k)(2)(ii) as the provision under 17 C.F.R. § 15c3-3(k) under which Quayle & Co Securities claims exemption from 17 C.F.R. §240.15c3-3. Quayle & Co Securities stated that it has met the 15c3-3(k)(2)(ii) exemption throughout the most recent fiscal year without exception, or, with exception, as noted in the Representation Letter of Exemption. Quayle & Co Securities's management is responsible for compliance with the exemption provisions and its statements. Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Quayle & Co Securities's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion. Based on my review, I am not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in Rule 15c3-3 under the Securities Exchange Act of 1934.

**BRYANT A. GAUDETTE, CPA**



KATY, TX 77450

March 12, 2018

QUAYLE & CO. SECURITIES

Supplementary Schedules Pursuant to SEA Rule 17a-5  
Of the Securities and Exchange Act of 1934  
As of and for the Year-Ended 12/31/2017

Exemption Letter Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

QUAYLE & CO.  
SECURITIES

February 12, 2018

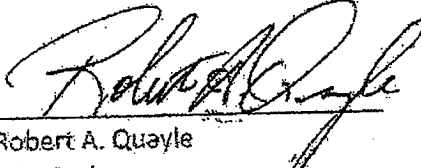
Bryant A. Gaudette  
21320 Provincial Blvd.,  
Suite 200  
Katy, TX 77450

Re: Exemption Report Pursuant to SEA Rule 17a-5(d)(1)(i)(B)(2)

To the best knowledge and belief, Quayle & Co. Securities,

1. Claims exemption 15c3-3(k)(2)(ii) from 15c3-3;
2. We have met the identified exemption from 01/01/2017 through 12/31/2017, without exception, unless, noted in number 3, below;
3. We have no exceptions to report this fiscal year.

Regards,

  
Robert A. Quayle

Principal  
Quayle & CO. Securities

Date

02/12/2018